

ELBE WATER AND SEWER DISTRICT
Pierce County, Washington
January 1, 1991 Through December 31, 1993

Schedule Of Findings

1. The District Should Document Compliance With Legal Requirements

During our audit, we requested minutes of the board. The minutes provided by the district indicated the board did not meet monthly. The only minutes provided for 1992 were of the board's February 16, 1992, meeting, and the only ones provided for 1993 were dated February 4 and February 18. Although Resolution 93003 was adopted March 4, 1993, there is not a record of board meeting on that date. The minutes provided by the district did not demonstrate full compliance with various legal requirements, including:

- a. Open Public Meetings Act as required by Chapter 42.30 RCW;
- b. Board approval of expenditures as required by RCW 57.20.140; and
- c. Board election requirements of RCW 57.12.010.

District personnel stated we had been provided with copies of all available minutes and there were no others.

Without adequate records of the board's and district's activities, we could not determine the extent to which the district complied with appropriate laws and regulations.

We recommend the district:

- a. Keep minutes of all board meetings.
- b. Record all actions of the board of commissioners in the official minutes.

ELBE WATER AND SEWER DISTRICT
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Schedule Of Federal Findings

1. The District Should Comply With The Provisions Of Its Grant Agreement

We audited the district's administration of federal financial assistance awards. The district received federal funds for use on the sewer system.

The district did not comply with the grant requirement to include a federal lien on the property it purchased for its sewer system.

Amendment 4 to the district's Environmental Protection Agency's grant for its sewer system requires in part:

Consistent with 40 CFR Part 30, the federal interest in the property to be acquired must be protected by the inclusion of the following language in the title or other recordation instrument:

Federal lien: Federal grant funds have been used to purchase this property. The United States interest is 100 percent of the proceeds from any subsequent sale or current fair market value of the property on the date of the transaction which removes it from the use for which it was purchased.

Though an apparent oversight on the part of district personnel, the above language was not included in the title, nor was a federal lien recorded.

By not including the required federal lien in its title, the district has not fully complied with the terms of its grant.

We recommend the district record the federal lien on the property it purchased as soon as possible.